

THURSDAY, FEBRUARY 3, 1994 -- FIFTY-NINTH LEGISLATIVE DAY

IN JOINT CONVENTION

MESSAGE OF GOVERNOR

The hour having arrived, set by House Joint Resolution No. 358, the Senate met with the House in Joint Convention.

The Joint Convention was called to order by Mr. Speaker Wilder, President of the Joint Convention.

On motion of Senator Crutchfield, the roll call of the Senate was dispensed with.

On motion of Representative Purcell, the roll call of the House was dispensed with.

Thereupon, the Clerk of the Senate read House Joint Resolution No. 358 authorizing the Joint Convention.

On motion, Representative Purcell moved that the President appoint a Committee composed of six (6) members from the Senate and six (6) members from the House to notify the Governor that the Joint Convention was in session and awaited his arrival, which motion prevailed.

Mr. President Wilder appointed a Select Committee composed of Senators Albright, Burks, Gilbert, Harper, Henry, Chair; and McNally; Representatives Bragg, Chiles, Love, McAfee, Rhinehart and Wood.

Without objection, the Joint Convention recessed pending the arrival of the Governor.

The Joint Convention was called to order by President Wilder.

Without objection, the roll calls of the Senate and House were dispensed with.

Senator Henry announced the Governor of the State of Tennessee at the entrance to the House.

President Wilder asked the committee to escort the Governor to please come forward.

President Wilder introduced the Honorable Ned McWherter, Governor of the State of Tennessee.

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GOVERNOR'S BUDGET ADDRESS  
TO THE JOINT CONVENTION

Governor Wilder. Speaker Naifeh. To the distinguished members of the General Assembly. To the Supreme Court and constitutional officers. To the members of the Public Service Commission. And most important, to the people of Tennessee.

Today marks the last time I will deliver a Budget Message to this body. More than anything else we do in state government, the Budget defines who we are and what we think is important for the five million people we serve. There are likely those among this body who believed my last Budget would be a cautious one, without risk and without new initiatives. They are mistaken.

The Budget before you contains the second highest funding increase in history for Tennessee's classrooms. The Budget repeals \$500 million in provider taxes, yet fully funds a TennCare program that is moving rapidly toward making affordable health care available to every Tennessean. This Budget recommends significant steps in the direction of meaningful welfare reform. It will not only build 1000 more prison beds, but enable us to take a hard look at sentencing laws that have lost credibility among much of the public.

And lest I forget, this Budget before you does not ask the General Assembly to raise a single dollar in new taxes.

The Budget asks only that we remain committed to two simple principles. First, that we stay on the road of fiscal conservatism that has become Tennessee's hallmark across the country and around the world. And second, that we continue to reexamine in every state department how we can improve the ways we manage our government and deliver our services.

Our commitment over seven years to truly reinventing government and managing our money wisely has led us to a Budget proposal today that many states would find absolutely amazing. In short, I am recommending major improvements in education, health care, corrections, and children's services with a \$12.5 billion Budget that reflects a growth of only 1.1 percent in state dollars.

To those who ask how this is possible, it is not because we have high taxes. With this Budget, Tennesseans will have a per capita tax burden that may be the lowest in America. Likewise, it is not because we have increased state employees in past budgets. Despite building and staffing six new prisons, there are fewer state employees today than seven years ago. The secret of Tennessee's budget success is the willingness of the legislative branch to make tough decisions and establish priorities, and the ability of the executive branch to translate those priorities into efficient services for the people of Tennessee.

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Let us begin with our most important priority, the education of our children. Two years ago we joined together to pass a 21st Century Schools program that the Carnegie Foundation has called "landmark legislation." We were bold enough to do what no other state had done. We earmarked all of our new funds to the classroom, allowed local communities to decide how to spend it, and with these simple steps made possible dramatic results in just two years.

Already funds from the 21st Century Schools program have been used to hire 2,100 teachers to lower class size. Making technology a priority has equipped more than 4,200 classrooms with state-of-the-art technology. For the first time in memory many of our rural school systems have adequate funds to purchase enough textbooks and operate their school buses. Communities have regained control of their schools, students have higher standards, and Tennesseans have the accountability they expect and deserve.

The Budget recommendation would provide an additional \$125 million for K-12 classrooms, an amount that dwarfs any similar improvement in the 1970s and 80s. This improvement will increase education's share from 52 to 55 percent of the General Fund. These funds would make it possible to hire 1400 more teachers to lower class size and equip 650 more 21st Century classrooms.

Funding for the 21st Century Schools Program is the highest priority of this Budget, and represents the third of six improvements needed to keep our promise to bring equity to each of Tennessee's schools. If there is any item in this Budget on which I will find it hard to compromise, it will be my commitment to finish what we started for the children of Tennessee.

Indeed, we are in the position to make improvements in education because last year we made it a priority to regain control over the costs of our health care system. Those concerned about the cost of government should take comfort from the following fact. Our decision to establish TennCare and totally reinvent the health care system represents a one billion dollar savings in this proposed Budget for the taxpayers of Tennessee. TennCare enabled us to repeal the provider taxes that were crushing many of our smaller hospitals and avoid the equivalent of a one cent sales tax increase needed to keep up with the runaway cost of Medicaid.

When you look through the Budget document you will find something that predict exists in no other state. The proposed increase for next year's TennCare program is only six percent, a sum consistent with the expected growth in our state's economy.

To those of you who have expressed criticism of TennCare, I share the following observations. I am fully aware of the problems we have had in moving from Medicaid to TennCare, and I am prepared to work as long as it takes with any member of this body, any health care provider, or any managed care organization on ways to make it better.

Contained in this Budget, for example, is \$2 million for a new

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program called Healthy Start. The Healthy Start program begins as soon as a baby is born to help make sure the mother knows how to get access to health care and other services. This simple program, already used in other states, will help reduce our infant mortality and give our poorest children a decent chance for a more healthy and productive life.

There are other things we can and should do to ease the transition from Medicaid to TennCare. But from some of the comments I have read I often wonder aloud if some people thought we could actually reform the health care system without fundamental change. To those legislators who want to change TennCare, I will insist on one obligation. If the changes involve money I want you to bring to my office exactly what taxes you want to raise and exactly which services you want to cut. Any proposal that does not meet this simple test is irresponsible and is not worthy of serious consideration.

In addition to the priorities of education and health care, I would like to address two initiatives that I hope will receive the consideration of every person in this chamber. Across Tennessee we hear an increasing desire to bring reform to a welfare system that does not have the support of either those who pay for it or the people it was intended to serve. Each of us is frustrated with a welfare system that at times seems designed to keep people out of work instead of helping them get jobs.

In the debate over the shaping of TennCare most Tennesseans have not realized that TennCare represents the most significant change in welfare policy since the food stamp program. Under Medicaid it was no surprise that a single mother who risked losing health care coverage for her children had little incentive to get a job. By removing this fear, TennCare has opened the door for thousands of Tennesseans to raise their standard of living and leave the welfare rolls.

What I want to do in this Budget is build on these efforts to change the way we help people get off welfare. If you don't believe it ask any woman in this chamber with children whether daycare is important when they want to get a job. With an improvement of \$17 million this Budget says we believe it should be a priority to help women get training for a job, and that daycare is a priority to make that job training possible.

Besides health care and daycare, there is a third issue that I am convinced contributes to our welfare problem, and that I believe it is time we address. I am referring to the number of deadbeat fathers who will not acknowledge their children and who will not pay their child support. If you think this is a priority I would like you to join me in legislation that will assign the wages of every father who owes child support, and require every AFDC mother to identify the father before she receives welfare payments. I've decided that I'm just old enough and frustrated enough to make life miserable for deadbeat fathers who won't pay their child support.

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The fourth major initiative in this Budget is also related to the frustration I sense throughout Tennessee with the growth in violent crime. In Shelby County alone, there were eleven murders in the first eleven days of the new year.

Since 1987, we have doubled the size of our prison system and have build [sic] more prison cells than all the governors combined since 1936. By totally changing the way we operate our prisons, from the way we feed inmates, to the use of technology, we have sharply cut costs in the corrections system. Seven years ago I would have predicted such dramatic steps would have curbed the rate of violent crime, but they have not.

As we gather here today there is no issue that generates more emotion among Tennesseans than the desire for us to do more to address the issue of violent crime. We would fail in our most basic responsibilities if we did not respond to this demand for action.

The proposed Budget contains funds to build another 1000 prison beds, at half the cost by expanding our existing facilities instead of building a new prison. After careful consideration I would also recommend that the House and Senate join together to make a statement so clear that no criminal in this state will misunderstand.

Any person convicted twice of a violent offense such as murder or aggravated rape, or any person convicted three times of any other violent crime, will spend the rest of their lives in a Tennessee prison without parole. The Administration will introduce the legislation and if you join me in thinking it should be a priority, I will provide the funds without the need for more taxes.

This legislation will not be called "three strikes you're out." In Tennessee it's going to be "three strikes you're in."

I hesitate this morning to dwell on other areas of the Budget for fear of distracting us from the priorities of education, health care, crime and welfare reform. As you study the Budget over the coming weeks, you will note a number of areas to which we have given special emphasis.

The funding for higher education is concentrated on efforts to build new libraries at four of our campuses. In addition, I have recommended funds to begin a long term effort to upgrade the level of technology skills taught at our 26 area vocational schools.

The Budget continues full funding of a billion dollars for a road and bridge program that has built more than 900 miles of new roads during this Administration. And if revenues are available, and we have reason to think they will be, the Appropriations Bill authorizes the Commissioner of Finance to provide raises up to four percent at any time after July 1st for state employees and teachers.

Allow me to close this final Budget Message with a moment of

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reflection. This document represents the 26th time that I have participated either as a legislator or as Governor in the budget process. There are things about the process I have learned since I was a young man in my thirties sitting on the back row of this chamber.

I have learned that the worth of a proposal should not be measured by the controversy that accompanies it. I have learned that our system in Tennessee works better than any I have ever known because we have never allowed partisanship to overtake the budget process. And I have learned that a sound balanced budget, without gimmicks, is more important to the future of this state than a thousand press releases.

My final Budget reflects my best judgment of the things Tennesseans think we should make a priority. It is a Budget of which you can be proud, and it will make a difference in the lives of the people we are here to serve. I appreciate your courtesy, and I appreciate your consideration of this request. Thank you.

Mr. President Wilder relinquished the Chair to Mr. Speaker Naifeh, as President of the Joint Convention.

The purpose for which the Joint Convention was called having been accomplished, Mr. President Naifeh declared the Joint Convention dissolved.